



NATIONAL CONGRESS  
*for* COMMUNITY  
ECONOMIC DEVELOPMENT

# **Testimony**

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**National Congress for Community Economic Development**

**Before the**  
**Federal Housing Finance Board**

**On Corporate Governance of the Federal Home Loan Banks**

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Chairman Korsmo and honored Directors Castaneda, Leichter, Weicher, and Mendelowitz, the National Congress for Community Economic Development appreciates the opportunity to share our views on how changes to Federal Housing Finance Board regulations or revisions to the Federal Home Loan Bank Act may further enhance governance of the Federal Home Loan Banks.

## **Introduction**

The Federal Home Loan Bank System is a critical ally for the members of the National Congress for Community Economic Development (NCCED).<sup>i</sup> In every venue of our work, the Federal Home Loan Banks (FHLBanks) have a critical role to play. As a government sponsored enterprise, the FHLBanks have a mission and a structure well suited to supporting local community revitalization efforts. Through its 12 regional Banks, the System can provide advances, investments, and partnership opportunities to a network of nearly 8,000 member financial institutions. These member banks provide flexible long-term patient capital for housing, commercial, retail, and business developments in cities, towns, rural communities, and multi-county regions. The FHLBanks have flexibility and access to both the capital markets and the nation's financial services network that provide tremendous opportunities for housing production and economic development activities.

In short, the FHLBanks are a \$700 billion financial powerhouse that receives numerous taxpayer supported advantages in return for meeting critical public purpose needs for investments in underserved areas, especially those in inner city neighborhoods, rural communities, and those serving Latino, African American, Asian Pacific American, and Native American communities.

In part to meet investment needs, the FHLBanks fund and administer the "crown jewel" of the System, The Affordable Housing Program (AHP). The AHP is the largest single source of private housing funds in the nation. In 2002, the Banks provided cash grants of \$239 million for affordable housing developments. The Fannie Mae Foundation awarded \$31 million for housing programs and research and Freddie Mac's Foundation awarded \$29 million for 2001 (figures are being restated). The AHP is the sixth largest philanthropy in the nation. Its historic flexibility leverages billions of dollars in federal housing funds. Nonprofit developers have found that in nearly every region, the AHP is a relatively flexible source of financing that provides a private match to leverage federal funds such as tax credits, CDBG, HOME, USDA, etc. In addition, the AHP serves as a critical introduction program; it brings CDCs and bankers together in the first of future collaborations in rental housing and homeownership projects.

As critical as the AHP is, the FHLBanks can do more as investors in low-income urban and rural communities. NCCED analyzed how the Banks meet their mission obligations in addition to AHP. We focused on five years of Community Investment Cash Advance (CICA) and Community Investment Program (CIP) data. It could be argued that CIP/CICA are inadequate assessments of a Bank's community investments. CIP/CICA requires the Bank to finance the investment without any profit mark up. The limited profitable ability may result in some Banks minimizing its use. However, the Banks all highlight CIP and CICA advances as one of their main strategies to ensure that their investments meet their public purpose mission. Some of the

Banks with low CICA/CIP numbers do not have other community investment programs, not including the AHP.

NCCED's analysis of community investment data show that while community investment and total advances doubled during 1998-2001, it fell forty eight percent in 2002 and remains a small percentage of the core advance activities of the Banks. According to data provided by the Finance Board, between 1998 and 2002, the System made nearly than \$18 billion in CIP/CICA advances to community financial institutions that in turn made loans to local businesses and housing developments.

Impressively, the System doubled the amount of annual CIP/CICA advances from \$2.5 billion in 1998 to \$5.1 billion in 2001. Total advances made by the System between 1998 and 2001 rose by 67 percent, CIP/CICA loans during that same time period rose by 105 percent. Four of the Banks, Atlanta, Boston, San Francisco, and Topeka saw greater percentage increases of CIP/CICA than of their total advances. Two Banks —Atlanta and Boston — were responsible for almost two-thirds of the \$5 billion in CIP/CICA advances in 2001. In 2002, four banks invested more than \$100 million in economic development investments. Boston led with \$227 million in economic development investments through CICA/CIP followed by Des Moines at \$165 million. Des Moines and Atlanta invested around \$120 million while San Francisco invested \$99 million. and This suggests that some of the FHLBanks are assertively taking steps to improve their utilization of CIP/CICA.

Nevertheless, as a percentage of the total advances made by each bank, CIP/CICA loans remain low throughout the study. In 2001, only four Banks made more than one percent of their advances in CIP/CICA. In 2000, six Banks invested at least one percent of their advances in CIP and CICA qualified advances. In the entire four years of the study, only one Bank, the FHLB of Boston, invested more than five percent of their advances in CIP/CICA instruments. The Atlanta Bank has consistently improved over the years, having made investments of \$72 billion of which \$2.0 billion -- or 2.8 percent -- were CIP/CICA advances in 2001. Four Banks (San Francisco, Indianapolis, Dallas, and Pittsburgh) have never crossed the one percent threshold in any of the four years of the study. The 2002 housing/economic development CIP/CICA data is not available by Bank.

The reason for these vast differences is not clear from the data. All Banks have the same requirements, to balance safety and soundness with meeting its public purpose. They all have the same primary tool, fungible cash that can serve as loans, equity investments, or "recoverable grants." Why did the Atlanta, Boston, San Francisco, and Topeka Banks have a greater percentage increase of CIP/CICA than of total advances? Why have other Banks, such as New York, consistently provided very small amounts of funding for community investments? The System regulator should be able to answer that question and take steps to encourage performance among all the Banks.

With ten percent of their profits going into AHP and no more than five percent (and realistically less than one percent) into CIP/CICA, it appears that the Banks have much more potential to finance investments in low- and moderate-income communities.

## **Role of the Regulator**

The data indicates that the FHLBanks are not fully meeting their public purpose needs despite documented need for capital for businesses and community facilities, low-income minority and immigrant homeowners, investments in Native American communities, and mixed use development.

Ensuring that the Banks meet their governance requirements – for safety and soundness and mission -- is the responsibility of the regulator. NCCED welcomes the opportunity raised by the Finance Board today and in discussions by Congress to determine which agency should best regulate the nation's GSEs to ensure that the public purpose is served. Whichever agency regulates the System, it must ensure that the FHLBanks aggressively provide investments, advances, and partnership opportunities to increase the capital available to low- and moderate-income individuals and the communities which support them.

To date, NCCED has opposed the Treasury Department regulating all the GSEs, including the Federal Home Loan Banks. As the Finance Board and others consider the oversight of the corporate governance of the Federal Home Loan Banks we recommend the following nine questions guide future action and discussion:

### **1. Do changes increase the availability and affordability of home mortgages to low-income families and in low-income communities?**

The nation's 70 percent homeownership rate is a gigantic achievement in part due to the efficient secondary financing System created by Congress. The FHLBanks, along with Fannie Mae, and Freddie Mac, have simplified the home mortgage process and ensured that local financial institutions have the capital available to lend and invest with families and in communities. Yet, despite the homeownership boom, the homeownership rate of African Americans and Latinos lagged the homeownership rate of whites by 27 percent. It still is difficult for low-income people to obtain mortgage financing, especially in inner city and rural communities. Immigrants and non-citizens frequently obtain incorrect or misleading information concerning their ability to purchase homes. Mortgage financing for manufactured homes remains a significant barrier in rural areas. Any Reform Proposal should expand – not reduce -- the affordability or availability of home mortgages to low- and moderate-income families or in low-income communities.

The Finance Board has supported the Mortgage Partnership Program which may increase the availability of mortgages to low and moderate income homeowners and immigrants. Only in the last couple of years have community banks had the ability successfully compete with mortgage brokers and large mortgage banks. Data from the Finance Board on who benefits from the MPP/MPF is needed to demonstrate its impact. Any move to Treasury that would restrict these type of new products would place the small community banks at a great disadvantage in the growing competition with mortgage brokers and large mortgage banks. We need a strong independent FHLB system that is well regulated but not with any intention of downsizing or restricting the banks ability to serve their members.

Despite our concerns that the Finance Board's mission oversight of the FHLBanks needs to be stronger, it remains to be proven that the Treasury Department has in place the structure to monitor and increase the investment in homeownership. The Treasury Department has already proclaimed its goal of shrinking the balance sheet (and hence profits) of the FHLB. If this occurs, the 10 percent of profits dedicated to the Affordable Housing Program (AHP) would also decline. The Treasury Department has opposed the MPF/MPP program which generates profits for the Banks and may increase the supply of home mortgages for low-income, minority, and/or immigrant homeowners.

**2. Will it increase the availability and affordability of multi-family apartment/condo mixed-use housing developments for low-income families and in low-income communities?**

Many people prefer apartment style living due to age, disability, or personal preference. Yet, financing for multi-family buildings is complex. Developers focus on luxury high-income apartments resulting in a dearth of affordable units. There are now 13.4 million renter households who pay more than thirty percent of their income for housing. More affordable rental housing is desperately needed. The FHLBanks are investing in multi-unit housing buildings and mixed-use developments but more must be done to demonstrate the financial profitability and soundness of these developments.

Community Interest Directors, appointed to the FHLBanks' Boards of Directors by the Finance Board, must include professionals with experience developing and managing multi-unit homes and mixed-use developments. It is imperative that experienced developers be present at the top levels to assist the Banks in increasing their investments.

Despite limitations to the Finance Board's mission oversight of the FHLBanks, it remains to be proven that the Treasury Department has in place the structure to monitor and increase the investment in mixed-use and multi-family housing developments.

**3. Will it increase the availability and affordability for economic development projects that aid low-income entrepreneurs and communities?**

The secondary market for economic development is much less sophisticated than the one for housing finance. An October 2003, General Accounting Office Study found that securitization may not be a significant alternative for community economic developments lenders until the volume of loans available for securitization is better known and lenders are convinced of the benefits of participating. Neither Fannie Mae or Freddie Mac participate in economic development activities outside of their housing mission. The FHLBanks have substantial flexibility to invest in commercial development, industrial development, business start-up and expansion, community facilities, child care/charter school facilities, etc. In 2002, they invested a little more than \$1 billion in economic development investments. This is less than three percent of their total investment activity of \$700 billion. Some of the Banks have made significant commitments to increasing their economic development activities. Any Proposed Reform must accurately assess the

level of financial investment in community economic development activities and take steps to increase this profoundly useful opportunity.

Community Interest Directors, appointed to the FHLBanks' Boards Directors by the Finance Board, must include professionals with experience developing and managing commercial developments and undertaking business lending. It is imperative that experienced developers be present at the top levels to assist the Banks in increasing their investments.

The Treasury Department, by style and orientation, is not necessarily best suited to make important determinations about GSE program activities in economic development. Treasury's primary focus is likely to be on safety and soundness considerations. The experience with Community Reinvestment Act enforcement for banks confirms this as does its shrinking investments in the Community Development Financial Institutions Fund.

**4. Does it enable community financial institutions like credit unions, banks, and thrifts to meet the community's credit needs?**

The FHLB system is very important to small rural community banks. These institutions have always had a harder time accessing the secondary markets and in negotiating good deals than the large mortgage bankers and mortgage brokerage houses. The FHLBank system has always given them the opportunity to operate on a "level playing field" by increasing the access to capital and project financing. The 8,000 financial institutions join the FHLBanks as voluntary members primarily due to the assistance they derive in accessing liquidity. There are concerns that the Treasury Department is likely to shrink the balance sheets of the Banks and make it more difficult for community financial institutions to receive the liquidity they need to serve their communities. In fact, the Independent Community Bankers of America recently stated their strong opposition to transferring regulatory oversight of the Home Loan Banks to Treasury, stating: *"The FHLBanks should continue to be regulated by a separate and independent agency. Moving supervision and regulation of the FHLBanks under Treasury will create numerous conflicts of interest and conceivable policy biases that will seriously impair the ability of community banks to access this important source of funding. This is an issue of critical importance to community banks."*

We have not seen any empirical data to indicate that the Federal Home Loan Banks' cost of funds will be negatively affected should regulation of Fannie Mae and Freddie Mac move to the Department of Treasury. Investors have generally priced FHLBank debt more favorably than Fannie Mae and Freddie Mac because the Home Loan Bank System is better capitalized and risk is spread among the 12 Banks through joint-and-several liability. This will likely continue to be more significant to investors than the movement of regulation to Treasury.

**5. Does the regulator give at least equal value if not more to the mission investments of the GSEs?**

Proposals that separate mission regulation from safety and soundness regulation have the potential to make mission subordinate to safety and soundness. This could result in a Catch-22 where the regulator of the mission side is undermined by the safety and soundness side (or vice versa) resulting in an impasse of advances.

**6. Does it encourage innovation in the development of financial products?**

Any proposal should also encourage innovation in financial products. Products in Native American lending or the Location Efficient or Energy Efficient Mortgages are important to low and moderate-income households. The latter two products provide higher loan to value ratios for borrowers who live near transit and do not own cars or who own energy efficient homes. Efficient markets can make it difficult to support innovative but necessary products such as cooperative housing, housing for people with disabilities, or limited equity homes. Finally, economic development lending requires greater flexibility and understanding of each deal. Any proposed reform should encourage economic development investing. A key factor in innovation is the presence of community development practitioners on the Boards of the Banks.

**7. Will it curb the scourge of predatory lending?**

Predatory lending is the undoing of community development. In some communities, there are more foreclosures than home sales. The regulator of the Federal Home Loan Banks should require all Federal Home Loan Banks to not buy mortgages with Single Premium insurance or other components of predatory loans.

**8. Does it recognize the differences between Fannie Mae, Freddie Mac, and the Federal Home Loan Banks?**

The Federal Home Loan Banks are significantly different than Fannie Mae and Freddie Mac. To the maximum extent possible, they should not be treated the same. Both Freddie and Fannie sell stock and are beholden first to their stockholders. If either encountered significant financial difficulties the costs would be borne by the stockholders and then the tax payers. The FHLBs, are cooperatives, whose members are financial institutions. The members are responsible for their Banks. In fact, members can be assessed if their FHLBanks encounter financial difficulties. In addition, the 12 banks themselves have joint liability, so if the San Francisco Bank had financial difficulties, Chicago and the other 10 banks would have a liability to assess themselves to resolve the situation. The Home Loan Banks have higher capital requirements than Fannie and Freddie and thus are not as heavily leveraged and are always valued at par. In addition, the Federal Home Loan Bank is the only source of financing for economic development initiatives like charter schools, commercial developments, business start-up and expansion, community facilities, and the like.

Due to the differences in structure between Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, we are concerned that the regulator will be subject to regulatory capture by Fannie Mae and Freddie Mac. This will likely lead to the elimination of any competitive influences on these two housing GSEs from the FHLBank System to the detriment of the public.

**9. Will it ensure a strong independent regulator?**

As we have indicated in our testimony, The Federal Housing Finance Board could be a stronger, more independent regulator on the mission side. Still, we believe that if it puts in place a plan that ensures equal participation in decisions by its entire board of directors and builds on its capable staff of housing finance and capital markets experts, it has the resources in place to continue to strengthen and improve its supervisory capabilities related to mission.

NCCED recommends the following steps for the regulator to take to strengthen the corporate governance of the System:

**1. Establish criteria to evaluate the Banks' mission (community and economic development) investments in low- and moderate-income communities.**

CIP and CICA are historic measures to assess the Bank's community investment, however, there may be other more valid indicators. The public would be served if the regulator disclosed the methods it uses to assess a Bank's mission investments to meet the credit needs of its community. The results should be easily accessible on the Finance Board website. Some options a regulator could consider:

- Review the amount of profit redirected to community support programs by each FHLBank (in addition to AHP);
  - Instead of the total amount, consider the total number of advances made in low-income areas;
  - Consider the total advances made in very low-income census tracts;
  - Consider the use of innovation and flexible products;
  - Highlight specific high need areas, such as Native American lending being undertaken by the Des Moines and Seattle Banks;
  - Survey each FHLBank's Advisory Council; or
  - Measure the Results from each Bank's Community Lending Plan.
- 2. Expand the Banks' economic development investments.** The changes in Gramm-Leach-Bliley provide a financing opportunity for FHLBanks to actively invest in economic development projects. Economic development fits closely with the FHLBanks' traditional housing investments. Without jobs, few can afford to rent or own a house. Some Banks are moving proactively into the economic development arena as documented by a recent report commissioned by The Federal Housing Finance Board. The report provides a transcript of an economic development summit

for Bank staff in June of 2002. Accessible information on the products, approaches, and actual investments of each Bank would help promote best practices and measure impact and achievement among the Banks. The Finance Board could play a critical regulatory role in this regard.

- 3. Ensure regulation of each Banks' Community Lending Plan (CLP) by the Federal Housing Finance Board.** Sections 944.6 and 952.4 of the Federal Housing Finance Board's regulations mandates that each FHLBank create an annual CLP that examines their region's economic development needs through market research and identification of market opportunities. Yet while the CLP must be approved by the Bank's board of directors in consultation with its Advisory Council, the statute does not give oversight to anyone to make sure that the bank is following its plan. Hence, CLPs appear to be nothing more than lofty goals that goes from the printer to the filing cabinet with little review in between. The Finance Board should also share learnings and experiences among the Banks. A realistic CLP can be a valuable tool for community investment, but only if it is taken seriously—and that will only happen when the Finance Board holds the authors accountable for what is written within it. The Plan and the results should be easily accessible on the Finance Board website as well as each individual Bank website.
- 4. Increase the participation and tenure of community development experts on the Boards.**

The Federal Housing Finance Board must ensure that its appointees, particularly its two community interest directors, are candidates experienced in meeting the capital needs of low- and moderate-income communities. In the past years, NCCED has nominated highly skilled community development practitioners with extensive financial development expertise that would be invaluable to Banks' efforts to increase their investments in low-income communities. While we are awaiting the results for 2004, the past two years have resulted in the loss of more than a dozen highly skilled valuable board members that in many cases were not replaced with people with similar qualifications. The Finance Board should strive to ensure that *each* Bank has experienced community economic development practitioners that can work with board members and staff to explain the basics of sound community economic development investments. The community development practitioners can provide strategies and partners to increase Bank investments. The Finance Board must also seek to aggressively increase the participation of women, African Americans, Latino, Asian Pacific American, and Alaskan/Native American candidates. These populations are underrepresented on the boards.

Before the Gramm-Leach-Bliley Act of 1999, the Chairpersons of the twelve FHLBanks were appointed by the FHFB. The chairs had to be public or community interest directors. Today, the Chair and Vice Chair positions are elected by the entire board, of which a majority (usually eight of fourteen) are bankers. Banker interests usually rule out over public interest in this situation, and Board Chairs are now predominantly bankers. If the FHLBanks are really serious about their public

mission, they should actively recruit public interest directors in the Bank's leadership. In addition, the Finance Board should write a regulation that requires either the Chair or Vice Chair of each Bank to be a public/community interest director.

Gramm-Leach-Bliley limited the service payment that board members can receive to about \$16,000 for each board member, Chairs and Vice chairs earn more. The System is quite complex and requires serious oversight by its board of directors. Directors should be fairly compensated for the time and travel required for their participation. Corporate governance requires that the directors, not the Bank staff, run the Banks. The Banks are complicated firms which require substantial oversight by Board members. For nonprofit practitioners who are not highly compensated in their professions, inadequate compensation is a hardship.

Finally, NCCED preferred the four-year-terms for appointed directors. The System is complicated and requires time to develop effective oversight. The short three year terms are exacerbated when public interest directors are not reappointed resulting in a lack of continuity and historical perspective on the boards.

5. **Increase the involvement and expand the responsibilities of the Affordable Housing Advisory Councils.**

Established under 12 CFR 951.4 as part of the AHP, Advisory Councils are comprised of between 7 and 15 community and nonprofit advocates and developers, whose role is to give advice to the Banks on ways to better carry out their housing finance and community lending missions to benefit low- and moderate-income persons. The statute dictates that bank representatives meet with and seek advice from the Advisory Council on a quarterly basis, and that Council members produce an annual report to the Finance Board that analyzes the Bank's low- and moderate-income housing and community lending activity for the past year.

In some Banks, the relationship with Advisory Councils is extensive and thoughtful. Council members play active roles in the design of the new products and delivery of advances and AHP. In others, the Banks follow the letter, but not the spirit of the law. Council members report a lack of serious dialogue, operational clarity, and thoughtful respectful collaboration. The FHFB should consider regulating and/or monitoring the activities of the Advisory Councils.

These Advisory Councils each contain decades of experience with community housing and economic development, many with extensive financial experience. Council members should be looked upon as a continuous source of guidance. The Bank leadership should encourage interaction among the Bank Boards and Advisory Council members on general committees, conferences, trainings, and other joint events. In addition, any changes a Bank considers making to the AHP should be carefully discussed with the Advisory Council membership.

The Finance Board should provide opportunities for the Counsels to have a formal monitoring role, report on each Bank's lending and economic development plans, coordinate supervision with it, and provide formal comments that contribute to the Bank Presidents' performance and bonus.

**6. Tie senior bank officers' annual bonus to utilization of the CIP and CICA.**

Until the Gramm-Leach-Bliley Act of 1999, FHLBanks' Presidents were allowed an annual bonus that was proportional to the amount of CIP advances that were made during the year. While the data does not suggest a definite correlation between the loss of this incentive and a drop in CIP advances within the System, it is noteworthy that eight of the twelve FHLBanks made a fewer amount of advances in 2001 than in 2000, after the decoupling took effect and that the 2002 numbers show an ever more dramatic decline. It may be true that in the world of finance, if a program is not tied to compensation it is not considered important. It could also be true, as was argued by some Finance Board staff, that the majority of CIP advances were short-term advances that had little positive effect on communities or markets.

The Finance Board should consider how to determine the level of community development investment by each Bank. If that becomes CIP/CICA or another measure, the Board could tie advances to the annual bonuses of senior staff, including the president. The FHLB of New York has adopted this initiative for 2002.

## **Conclusion**

The FHLB System has proven to be a crucial source of funding for community investment developments over the years. The dramatic increase in community investment by some of the Banks should be celebrated and analyzed to encourage similar activities among other Banks. NCCED and its members believe the Bank has tremendous potential for creating jobs and building businesses and homes for low- and moderate-income people. Without the financing of developments that bank members of the FHLB System provide to community-based development organizations, the situation in much of these communities would be dire indeed. Yet, the System can still be improved. FHLBanks are capable of so much potential that needs to be fully utilized. The active leadership of the regulator is critical to ensure the Banks fully utilize their tremendous abilities to make financial investments in transformational developments.

It is our goal that those interested in ensuring every community has economic resources and access to capital, will look to the Federal Home Loan Bank System as an ally and active partner. We hope that greater analysis of the availability and impact of advances by the regulator can increase the positive outcomes that FHLBanks can have in community investment and strengthen their corporate governance.

Chairman Korsmo and members of Board, this concludes my testimony. I thank you for the opportunity to appear before you today and thank you for seeking strategies to strengthen the corporate governance of the Federal Home Loan Banks.

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<sup>i</sup> For more than thirty years, NCCED has been the national membership association of nonprofit community based development organizations. Our members, community development corporations (CDCs) create economic opportunities in minority and low-income rural, urban and inner ring suburban, have requested that we seek opportunities for them to increase financial investments in their communities. With area residents making up a majority of their boards of directors, CDCs are at the center of initiatives that are the difference between a community that is economically marginalized or economically viable. CDCs leverage public sector funds to entice private capital and investment back to their communities. They also involve and follow the direction and priorities of community residents in designing and implementing anti-poverty activities. They are frequently the most productive – and in some cases only -- developers of affordable housing in low-income communities.

There are CDCs in nearly every large and medium sized city in the nation as well as in many rural areas. Fifty-two percent of CDCs serve urban areas, 26 percent serve rural areas, and 22 percent serve mixed areas. Twenty-eight percent of CDCs work in the South. Twenty seven percent serve the Northeast. Twenty-five percent serve the North Central and twenty percent serve the West. Eighty-four percent serve low-income neighborhoods including twenty-one percent in poverty level communities with an income below thirty percent of the median area income. Twenty-nine percent serve very low-income communities that earn between thirty and fifty percent of the median area income.

CDCs' positive results include:

- **Affordable Housing Production:** Built more than 550,000 homes and apartments, about one-third of the nation's affordable housing;
- **Commercial and Industrial Real Estate Development:** Produced 71 million square feet of commercial and industrial space;
- **Small and Micro-business lending:** Loaned \$1.9 billion to 59,000 businesses oftentimes as the only source of credit to these entrepreneurs. CDCs often provide needed technical assistance as well; and
- **Job Creation:** Created 247,000 private sector jobs while providing employment support and training to community residents.

## NCCED CIP/CICA Percentages of Total Advances by Bank by Year

CIP/CICA Percentage of Total Advances *(In Millions)									
FHLBank	1998			1999			2000		
	Total Advances*	CIP/CICA *	CIP/CICA Percentage	Total Advances*	CIP/CICA*	CIP/CICA Percentage	Total Advances*	CIP/CICA*	CIP/CICA Percentage
<b>Boston</b>	\$15,419	\$401	2.60%	\$22,487	\$197	0.88%	\$21,594	\$562	2.60^
<b>Atlanta</b>	\$33,561	\$158	0.47%	\$45,216	\$402	0.89%	\$58,249	\$1,191	2.04%
<b>Des Moines</b>	\$18,673	\$311	1.67%	\$22,949	\$457	1.99%	\$21,158	\$620	2.93%
<b>Seattle</b>	\$21,151	\$249	1.18%	\$26,284	\$154	0.59%	\$26,240	\$385	1.47%
<b>Topeka</b>	\$8,757	\$33	0.38%	\$15,592	\$36	0.23%	\$17,581	\$530	3.01%
<b>San Francisco</b>	\$63,989	\$234	0.37%	\$90,514	\$316	0.35%	\$110,032	\$478	0.43%
<b>Chicago</b>	\$14,899	\$525	3.52%	\$17,167	\$497	2.90%	\$18,462	\$599	3.25%
<b>Indianapolis</b>	\$14,388	\$50	0.35%	\$19,432	\$48	0.25%	\$24,073	\$151	0.63%
<b>Dallas</b>	\$22,191	\$65	0.29%	\$27,034	\$108	0.40%	\$30,194	\$242	0.80%
<b>Cincinnati</b>	\$17,873	\$212	1.18%	\$28,134	\$242	0.86%	\$31,935	\$191	0.60%
<b>Pittsburgh</b>	\$25,770	\$230	0.89%	\$36,527	\$54	0.15%	\$25,946	\$9	0.03%
<b>New York</b>	\$21,708	\$28	0.35%	\$35,644	\$14	0.15%	\$46,841	\$22	0.05%
							\$432,305		

2002 total advances were \$2.730 million including \$1.024 million for economic development and \$1.7 million for housing.

We do not have Bank-by-Bank data for CIP/CICA for 2002.